Association (ISMA) and the National Federation of Cooperative Sugar Factories (NFCSF) have expressed their concern due to large inflow of imported sugar into the country including imports of sugar from Pakistan.

(b) A table indicating the major imports of sugar from different countries for the financial year 1998-99 (April to Sept) is given in "statement" (*see* below).

(c) to (e) Both ISMA & NFCSF have represented that due to arrival of cheaper imports and the likely production of over 150 lakh tonnes of sugar during 1998-99 sugar season, sale of domestic sugar is adversely affected. They have, therefore, represented to the Government for increasing the custom duty on import of sugar, which is under consideration of the Government.

Statement

Major Imports of Sugar from Different Countries for the Financial Year 1998-99 (April to Sept.)

Name of Country	Quantity (in tonnes)	% of imports	Value (in Rs. Crores)	Unit Value (Rs. per kg)
Brazil	24,006	5.78	28.42	11.83
France	19,886	4.79	28.39	14.28
German	10,575	2.55	13.90	13.15
Mexico	20,427	4.92	31.47	15.41
Pakistan	3,00,206	72.27	387.26	12.90
U.A.E.	20,621	5.96	27.63	13.40
Others	19,678	3.73	27.51	—
TOTAL	4,15,399	100.00	544.58	13.11

SOURCE: DGCI&S, Calcutta.

Performance of Private and Cooperative Sector Fertilizer Units

*288. MISS SAROJ KHAPARDE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that barring NFL, FACT and RCF, all the major fertilizer companies in Public Sector have reported heavy losses during 1997-98;

(b) if so, the details thereof;

(c) what has been the performance of Private as well as Co-operative sector fertilizer units during 1997-98;

(d) what are the major factors responsible for poor performance of fertilizer units in the Public Sector; and

(e) the steps taken by the Government to improve their performance?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SURJIT SINGH BARNALA): (a) to (c) The financial performance of the fertilizer public sector undertakings/cooperatives under the Department of Fertilizers (DOF) during 1997-98 is as follows:—

(Rs./Crore)

S.No.	Name of PSUs/Cooperative Sectors	1997-9
01.	National Fertilizers Limited (NFL)	189.01
02.	Fertilisers and Chemicals Travancore Limited (FACT)	53.94
03.	Rashtriya Chemicals & Fertilizers Limited (RCF)	189.37
04.	Paradeep Phosphate Limited (PPL)	(−)105.53
05.	Madras Fertilizers Limited (MFL)	(−)55.35
06.	Pyrites, Phosphates Chemicals Limited (PPCL)	(−)41.80 (Provisional)
07.	Fertilizer Corporation of India (FCI)	(−)724.93
08.	Hindustan Fertilizers Corporation Limited (HFC)	(−)647.83
09.	Projects & Development India Limited (PDIL)	06.09
10.	Krishak Bharati Cooperative Limited (KRIBHCO)	299.61
11.	Indian Farmers Fertiliser Cooperative Limited (IFFCO)	438.85

The Department of Fertilizers does not monitor the financial performance of private sector fertilizer companies.

Of the above, five PSUs namely HFC, FCI, PPCL, PPL & MFL are incurring losses. The main reasons for their losses are given below:—

Aging equipment, power shortages and surplus manpower are among the important reasons for the losses being incurred by the FCI and HFC. As regards PPCL, Intrinsic cost disadvantage of pyrities based sulphuric acid production and rising costs of deep underground mining at Mussoorie are the important causes. Contract labour problems and high cost of production on account of lower capacity utilisation of phosphoric acid plant and fluctuations in the exchange rate are the important causes in so far as PPL is concerned. Delay in commissioning the revamp project and increased feedstock costs are among the important reasons for the losses being inccured by MFL.

The Government proposes to take appropriate steps after taking into account the techno-economic viability of the units under the control of the above mentioned loss making companies on the basis of the recommendations made by the Disinvestment Commission as well as the rehabilitation package that would be approved by the BIFR as the case may be. The FCI and HFC have been referred to BIFR and comprehensive rehabilitation proposals are under Inter-Ministerial Consultation. The Disinvestment Commission has made its recommendations with regard to NFL, FACT, MFL and PPCL. The Disinvestment Commission has recommended sale of 50% of the shares of MFL to a strategic partner through a competitive bidding process. The Government have approved, in principle, the recommendations of the Disinvestment Commission in respect of MFL. No decision has been taken by the Government in respect of the recommendations made by the Commission in respect of FACT, PPCL and MFL. Substantial reliefs were given to PPL in the year 1994, which includes *inter-alia* restructuring of its capital base. The repayment of plan loans and payment of interest due during 1997-98 was deferred by one year. A scheme for overcoming the constraints in capacity utilisation of its sulphuric acid plant has also been drawn up.